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STATE OF LOUISIANA  
PARISH OF TERREBONNE

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CONTRACT OF LEASE

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KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the rentals hereinafter set forth and subject to the terms, conditions and stipulations hereinafter following:

DELTA SERVICES INDUSTRIES, a Louisiana joint venture organized and existing under the laws of the State of Louisiana between Delta Services, Inc., a Delaware corporation, and Delta Services Industries, Inc., a Delaware corporation, (hereinafter referred to as "LESSOR"), does by these presents let, lease and demise to and unto:

PETROLEUM TREATERS, INC., a Delaware corporation, authorized to and doing business in the State of Louisiana, (hereinafter referred to as "LESSEE"), here present and accepting this lease on the following described premises, to-wit:

A certain tract of land situated in the Parish of Terrebonne, State of Louisiana, designated on a plat entitled "Reference Drawings, Delta Iron Works, Inc., Houma, Louisiana A Chromalloy American Company Engineers - Fabricators - Constructors, Plat "E" D/W Property & Facilities", Drawing No. D-401-71-1123, dated 3/10/71, revised 5/10/83, a copy of which is attached hereto and made a part hereof, as measuring One Hundred (100') feet more or less along the bulkhead on Bayou LaCarpe by depth of Three Hundred Ninety-five (395') feet more or less then widening to a width of Two Hundred Forty Feet (240') feet by depth of One Hundred (100') feet to a line marked by a chain link fence on said map. Said tract being bounded by Bayou LaCarpe, Martin Shell Road, Steam Cleaning & Wash Area, Fire Systems and other property of Lessor beyond the chain link fence, together with all buildings and improvements situated thereon and all rights, ways, privileges and servitudes thereunto belonging or in anywise appertaining.

This lease includes the non-exclusive use of the access roads on Lessor's property from Industrial Boulevard to the leased premises and docking and other related use privileges along Bayou LaCarpe for a distance of Four Hundred Thirty (430') feet as designated on said plat together with the use of the land area adjacent to the bulkhead area and the access area from said bulkhead area to the leased premises. It is provided and agreed to by and between the parties herein that the

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Lessee shall bear eighty (80%) percent of the cost of maintenance and repair of said section of bulkhead along Bayou LaCarpe as such are mutually agreed upon between the parties.

1.

A. This lease is made for a primary term of five (5) years commencing on the 1st day of July, 1983 through the 30th day of June, 1988.

B. Lessee shall have the right and option to extend this lease for an additional five (5) year period by giving notice to Lessor of its intention to do so, not less than thirty (30) days prior to the expiration of the primary term.

C. Lessee shall have the right and option to extend this lease for an additional period of five (5) years from the expiration of the first option period by giving notice to Lessor of its intention to do so, not less than thirty (30) days prior to the expiration of the first option period.

2.

This lease is made for and in consideration of the following rentals:

A. The rental during the primary term of this lease shall be the price and sum of TWO THOUSAND SEVEN HUNDRED FIFTY AND NO/100 (\$2,750.00) DOLLARS per month payable in advance on the first day of each month.

B. In the event Lessee desires to extend this lease for the five (5) year extension term set forth in Paragraph 1-B above, then and in that event the rental for such extension term shall be the greater of FOUR THOUSAND (\$4,000.00) DOLLARS per month or an increment corresponding to the percentage of increase in general prices that has occurred since the base period, calculated as hereinafter set forth. The price figures used for calculation shall be those of the Revised Consumer's Price Index (CPI) computed and prepared by the U. S. Bureau of Labor Statistics or its successors. It is understood that the last CPI index figure prepared for July, 1983, will be the base index for all purposes of calculation; that such base index will be equivalent to the sum of FOUR THOUSAND (\$4,000.00) DOLLARS per month; It is further understood that the last index prepared prior to



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the commencement of the option period will be the index figure used to calculate the percentage of increase in the rental that may apply to the option period.

C. In the event Lessee desires to extend this lease for the five (5) year extension term hereinabove provided for in Paragraph 1-C, then and in that event the rental for such extension term shall be the greater of the sum of FOUR THOUSAND (\$4,000.00) DOLLARS per month or an increment corresponding to the percentage of increase in general prices that has occurred since the base period, calculated as hereinafter set forth. The price figures used for calculation shall be those of the Revised Consumer's Price Index (CPI) computed and prepared by the U. S. Bureau of Labor Statistics or its successors. It is understood that the last CPI index figure prepared for July, 1983, will be the base index for all purposes of calculation; that such base index will be equivalent to the sum of FOUR THOUSAND (\$4,000.00) DOLLARS per month; it is further understood that the last index prepared prior to the commencement of the option period provided for in Paragraph 1-C will be the index figure used to calculate the percentage of increase in the rental that may apply to the option period.

3.

This lease may not be assigned in whole or in part nor may the premises herein leased be subleased or rented without written consent of Lessor previously had or obtained, provided that Lessee may assign its leasehold interest to a lending institution to obtain financing.

4.

Lessor agrees to pay any and all utility charges imposed upon Lessee or arising out of Lessee's use or occupancy of the leased premises, including illustratively, but not exclusively, meter deposits, connection charges, and all monthly or other periodic water, gas, electricity and similar charges and telephone charges, excluding long distance calls and special equipment.

5.

A. Neither Lessor nor Lessee shall be considered in default as to any obligation or condition of this lease, and this lease shall not be considered as violated in any degree unless the status claimed to be

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In default or violated shall continue for thirty (30) days after written notice thereof is delivered by Registered Mail return receipt requested to the alleged violating party at the address of that party set forth herein. Provided that should the alleged violation be the failure to pay the rental, Lessee shall have ten (10) days to correct same after the delivery by Registered Mail return receipt requested.

B. Upon the filing of a bankruptcy, receivership or respite petition by or against Lessee, or upon Lessee's suspension, failure or insolvency, the rental for the whole unexpired term of this lease, or any extended term thereof, shall without putting Lessee in default, at once become due and exigible and in any such event, Lessor shall have the option either at once to demand the entire rent for the whole term or to immediately cancel this lease, Lessee hereby assents thereto and expressly waives the legal notices to vacate the premises. Failure to strictly and promptly enforce these conditions shall not operate as a waiver of Lessor's right, Lessor expressly reserving the right to always enforce prompt payment of rent, or to cancel this lease, regardless of any indulgences or extensions previously granted.

6.

Should any claim for rent in favor of Lessor upon this lease be placed in the hands of an agent or attorney to give special attention to enforcement thereof, Lessee shall, in order to protect Lessor fully against all expenses, pay as fees and compensation to such agent or attorney an additional sum of Twenty (20%) per cent of the amount due on such claim (should the amount of such claim be in excess of \$1,000.00) or Twenty-five (25%) per cent thereof (if that amount be \$1,000.00 or under, but in any event, not less than \$100.00), together with all costs, charges and expenses incident thereto.

7.

Lessor shall have the right to go upon and to inspect the leased premises at any reasonable time.

8.

Lessee's occupancy of the leased premises shall constitute Lessee's agreement to hold and save Lessor harmless of and from any and all claims, demands, or causes of action, exerted by Lessee's employees or agents or other persons acting under or by virtue of



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Lessee's authority, as well as any and all claims, demands, and causes of action exerted by third parties, arising out of or related to Lessee's occupancy or use of the leased premises.

9.

Lessee agrees to maintain all fire and hazard insurance on the buildings existing on the premises during the term of this lease at its sole expense as well as any and all insurance desired on property located on the premises and owned by Lessee as well as the obligation of maintaining liability insurance as it may desire at its sole expense.

10.

The Lessor herein reserves unto itself a non-exclusive servitude, easement, and right of passage over and across the premises leased herein, said non-exclusive servitude, easement, and right of passage being restricted to the use of one certain road which is located on the property and which intersects said leased premises.

11.

At the expiration of this lease or its termination for other cause, Lessee is obligated to immediately surrender possession of the leased premises and should Lessee fail to do so, Lessee agrees to pay as liquidated damages (and not as a penalty) two (2) times the rental per day, with reasonable attorney's fees, costs, etc. Lessee expressly waives any notice to vacate at the expiration of this lease, or any extended term thereof and all legal delays; should Lessor allow or permit Lessee to remain on the leased premises after the termination of this lease, such shall not be construed as a reconduction of this lease.

12.

Unless otherwise notified the addresses of the parties for any notices required under this lease shall be:

LESSOR:

Delta Services Industries  
202 Industrial Boulevard  
Houma, Louisiana 70360

LESSEE:

Petroleum Treators, Inc.  
P. O. 5095  
Houma, Louisiana 70361

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13.

Anything herein to the contrary notwithstanding, this lease shall terminate upon the closing of repurchase by Lessor of certain assets from Lessee under the Buy-Back Option and Purchase Agreement between them of even date herewith, if such closing occurs.

IN FAITH WHEREOF, the parties have signed these presents, in the presence of the undersigned competent witnesses, as of the 1st day of August, 1983, after a due reading of the whole.

WITNESSES:

[Signature]  
[Signature]

DELTA SERVICES INDUSTRIES

BY: [Signature]

[Signature]  
[Signature]

PETROLEUM TREATERS, INC.

BY: [Signature]

FILED FOR RECORD  
PARISH OF  
TERREBONNE, LA.

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[Signature]  
DEPUTY CLERK OF COURT

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